



U.S. Department of Justice

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NEWS SUMMARY:

United States Attorney Steven M. Biskupic announced today that on Wednesday a Grand Jury in the Eastern District of Wisconsin returned an indictment charging William Pappas (DOB: 1/7/64), his brother-in-law George Dionesopulos (DOB: 12/7/75), and two former employees of St. Francis Bank with conspiring to defraud St. Francis Bank and other banks by engaging in and facilitating a check manipulation scheme designed to artificially inflate the balances of accounts controlled by Pappas and to trick banks into honoring checks drawn against accounts with insufficient funds. The twenty-two count indictment alleges that, as part of the conspiracy, Pappas and Dionesopulos corrupted the two bank employees, Charlen M. Schlitz (DOB: 3/12/63), and Lucinda Marie Blank (DOB: 7/17/62), and caused them to make false entries in St. Francis Bank's books and records to conceal the scheme. The indictment further alleges that Pappas and Dionesopulos caused the bank employees to fail to file reports, required to be filed with the government under federal law, regarding currency transactions involving over \$10,000 in cash.

According to the indictment, William Pappas and George Dionesopulos conducted the check manipulation scheme between November 1998 and January 1999 through accounts controlled by Pappas, which included accounts held in the name of London Cleaners, a downtown dry-cleaning business operated by Pappas, as well as third-party accounts that Pappas allegedly controlled. The indictment alleges that George Dionesopulos was an employee of London Cleaners, Inc. at the time of the conspiracy, and that Lucinda Blake was a supervisor teller and Charlen Schlitz was a branch manager of the downtown branch of St. Francis Bank.

As part of the conspiracy, Pappas and Dionesopulos allegedly caused accounts to be opened at St. Francis Bank in the names other persons after St. Francis Bank had closed accounts held in Pappas' name. Pappas and Dionesopulos then allegedly used those third-party accounts as part of the check manipulation scheme, which involved depositing worthless checks into accounts, including accounts at St. Francis Bank, Liberty Bank, and TCF Bank, for the purpose of artificially inflating the accounts' available balances, and causing banks to honor checks drawn on accounts containing insufficient funds. Through the scheme, Pappas and Dionesopulos are alleged to have exposed banks to losses exceeding \$70,000.

In addition to charging all four defendants with conspiring to violate federal law, the indictment also charges Pappas and Dionesopulos with engaging in bank fraud, causing the making of false entries in St. Francis Bank's books and records, and causing St. Francis bank to fail to file currency transaction reports with the United States Treasury, all in violation of federal criminal law.

The indictment also alleges that Pappas violated federal law on five occasions during June 2000 by structuring the deposit of over \$10,000 in currency at M&I Bank by breaking those deposits down into smaller deposits of less than \$10,000, each made at different branches of M&I Bank, for the purpose of evading federal currency transaction reporting requirements.

Based on these charges William Pappas and George Dionesopulos face up to 30 years of imprisonment and fines totaling \$1,000,000.00. Charlen Schlitz and Lucinda Blake face 5 years of imprisonment and fines of up to \$250,000.

The case was investigated by the Internal Revenue Service, Division of Criminal Investigation. The case has been assigned to Assistant United States Attorney Scott J. Campbell.

The public is cautioned that an indictment is merely the formal method of returning charges against an individual and does not constitute inference of his or her guilt. An individual is presumed innocent until such time, if ever, that the government established his or her guilt beyond a reasonable doubt.

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